

II. A. Spain's ability to realize its full potential in western defense is limited by the narrow base of the present government's popular support. Since 1939 Spain has been governed by a dictatorship supported by a coalition of conservative groups, principally the Army, the Church, the Falange and the country's business and land-holding interests. The present regime came to power through civil war, and has perpetuated itself by utilization of the normal totalitarian devices. Large segments of the population, particularly the industrial workers, remain unalterably opposed to the present government, and cannot be expected to follow it willingly in any commitments it might undertake, although all groups would rally to the defense of Spain in the event of invasion. Nor are the prospects favorable for a more broadly based government in the foreseeable future. Even were the present regime replaced, the characteristic Spanish inability to compromise and the magnitude of the issues dividing the country would remain.

1. Stability in Spain today is more seriously threatened than at any time since the end of World War II. Nevertheless, the regime will probably be able to maintain itself in power, although not to prevent some industrial and political unrest.

Among the chief threats to the continuance in power of the present regime are the drastically deteriorating standard of living, the long-standing hostility of labor, the new willingness of students and workers to take direct action methods, the increasing difficulty of the government's attempts to ascribe Spain's difficulties to external interference and the regime's long tenure of office. Starting from a standard of living much lower than the already inadequate levels of 1936, workers in recent months have seen their position deteriorate still further as a result of inflation and a reported lack of spare-time jobs. Factory employees in Catalonia and the Basque provinces recently engaged in effective mass strikes, and a series of work stoppages and boycotts followed in other industrial sections of the country. The gravity of the situation is indicated by the fact that the workers enjoyed the sympathies of basically pro-regime groups, such as the Falange in Catalonia, the Church in the Basque region and the employers in both areas. At the same time, it is clear that not even an improvement in the economic situation will alter significantly the workers' hostility to the regime. Prior to the Civil War, the Spanish labor movement was one of the most powerful and militant in Europe, and much of its syndicalist tradition undoubtedly has been perpetuated under clandestine conditions. Moreover, the workers have now discovered that with discipline and restraint they can strike with virtual impunity against poor living conditions, and may be tempted at some future date to utilize the same weapon for purely political ends. Similarly, students in the State universities have struck and demonstrated on a number of occasions when they felt their interests threatened, and this development too may have troublesome consequences for the future. After 12 years in power, the regime is faced with the characteristic Spanish intolerance of human frailties, which has rarely permitted a

SECRET

2.

government to remain in power as long as the present one. The regime has also been deprived of powerful propaganda weapons by the removal of the UN ban against Spain, which for four years enabled the government to appeal to Spanish pride by citing alleged outside interference in the domestic affairs of the country.

At the same time, there are indications that a change in the attitude of a minority of the priesthood toward the regime has taken place, with possibly disruptive effect on the country. According to a number of reports, the more liberal and socially-conscious Vatican-influenced elements, alarmed by the identification of the Church with a regime unable to guarantee a decent minimum standard of living for the people, have decided to agitate for reform. At the same time, the Church is apparently attempting to secure an entry into the trade union field -- where Catholic groups have traditionally been ineffectual -- at the expense of the Falange syndical system. In view of the tremendous political importance of the Spanish Church, both through its hold on large numbers of people and on the armed forces over which it has spiritual jurisdiction, its defection from the ranks of regime supporters would have the most serious effect on political stability. Pending further evidence, however, it can only be assumed that the Church will remain fundamentally loyal to the regime.

Nevertheless, a number of vitally important factors in the Spanish political scene seem to militate against a sudden change in the regime. There remains a universal fear of civil war, understandable in view of the more than one million deaths and the tremendous physical destruction of the 1936-39 holocaust. The only organized opposition group of any importance, the Monarchist-Socialist-Anarchist coalition, is limited by the obvious incompatibility of its constituent groups, the dilettantism of most Monarchists inside Spain, and the decimation of the clandestine Anarchist and Socialist unions by the police. Regionalism is still an important force in Spain, and remains a bar to concerted nationwide action by the opposition, at the same time that it hampers the government's centralist and nationalist tendencies. Although the media of public information are less influential in Spain than in any other western European country, and approximately one-quarter of the children of school age do not receive a formal education, some success by the government in the propaganda field should be assumed.

Most important of all is the continued loyalty of the Army, despite a recent decrease in its own living standards. The Spanish Army, since before the turn of the century, has existed primarily as a national police force interested in the maintenance of domestic tranquillity under conservative governments and in its own political and financial position. Under the present regime the armed forces enjoy a disproportionately large share of the national budget and are represented on the highest political institutions of the country. Moreover, the ranking officers, many of whom

SECRET

SECRET

3.

served with Franco in the Moroccan campaigns, are reportedly loyal to the Chief of State, and respect and fear his abilities. For his part, Franco closely supervises their activities and has in the past moved swiftly to discipline those suspected of disaffection. However, should civil unrest become widespread, it would be well within Spanish tradition for the armed forces, including the Civil Guard as well as the Army, to intervene to bring about a change in regime.

SECRET

SECRET

40

2. Censorship and bans on virtually all forms of self-expression in Spain make it impossible to determine accurately the extent of public support for defensive alliance with the west at this time. The overwhelming majority of the Spanish people is anti-Communist and anti-Soviet for religious, political and historical reasons, and all groups can be expected to resist tenaciously and, to the limit of their abilities, effectively any attempted Soviet invasion. Regime supporters can be expected to welcome Spanish inclusion in western defense arrangements because of ideological conviction and for political and economic advantage. However, important segments of the population, including a majority within such ethnic groups as the Basque and the Catalans, and political and economic groups such as the "anarcho-Syndicalists and Socialists, are unalterably opposed to the present regime as well as to the Soviet Union and Communism. Leaders of the clandestine labor unions have threatened to sabotage Spanish association with western defense arrangements primarily because they feel that any move in this direction would tend to bolster the present regime. There is little doubt of their ability successfully to cripple important sectors of the Spanish industrial machine should they desire to do so. While they are not expected to engage in such activities if the independent existence of Spain is threatened, under present international conditions sabotage is a distinct possibility. The probable failure of sabotage to halt Spanish inclusion in defense arrangements would then drive the opposition groups into a profoundly neutralist attitude. On the other hand, anti-West sentiment would be mitigated to some extent by any substantial increase in the standard of living.

3. Closer relations with the west will probably have little net influence for change on the structure and domestic policies of the Spanish regime. Association with western defense planning can be expected to strengthen the loyalty of Army leaders, who would be furnished with modern equipment and a foreign mission, but might, if troops are sent abroad have a disruptive effect on the rank and file as a concomitant of experience with the higher living standards and free institutions of other European countries. The dispatch of any large number of troops abroad would seriously threaten stability within the country by depriving Franco of the instruments of power on which the regime ultimately depends. There should be little expectation of liberalization as a result of closer association with western Europe; the regime's makeup virtually precludes any basic change.

4. Franco's foreign policy also serves as a barrier, although a relatively minor one, to the full utilization of Spanish resources in the East-West struggle. The present regime ideologically is committed completely to the anti-Soviet cause, but has been prevented from associating with western defense plans by the attitude of its neighbors. Western European dislike and distrust of the Franco government is deep rooted and stems from the regime's origin and nature. This repugnance has been reenforced by a postwar Spanish foreign policy that has been anything but conciliatory. Any totalitarian regime is forced to justify its existence by the alleged presence of an external threat to the Nation, and the Franco government made effective use of the international "Marxist and Masonic" plot against Spain during the years of the UN ban. The revocation of the operative clauses of

SECRET

SECRET

5

the UN resolution of December 1946 created the need for new propaganda themes, and in recent months the regime renewed forcibly the traditional Spanish demand for Gibraltar and charged French complicity in Spanish strikes. Official propaganda of this nature is obviously not designed to facilitate Spanish entry into more cordial relations with the other NATO powers.

SECRET